# STANTON TOWNSHIP PUBLIC SCHOOL DISTRICT ATLANTIC MINE, MICHIGAN

# FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION

June 30, 2005

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310 Shelden Avenue • Houghton MI 49931 (906) 482-6601 • Fax: (906) 482-9046 e-mail: help@brucerukkila.com www.brucerukkila.com

#### INDEPENDENT AUDITOR'S REPORT

To the Board of Education Stanton Township Public School District Atlantic Mine, Michigan

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Stanton Township Public School District as of and for the year then ended June 30, 2005, which collectively comprise the School's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Stanton Township Public School District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Michigan School Auditing Manual*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Stanton Township Public School District as of June 30, 2005, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

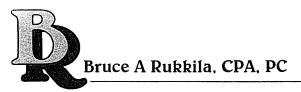
The management's discussion and analysis and budgetary comparison information on pages 7 through 12 and 29, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express any opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Stanton Township Public School Districts' basic financial statements. The combining and individual non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual non-major fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Bruce A. Rukkila, CPA, PC

August 24, 2005

Certified Public Accountants



310 Shelden Avenue • Houghton MI 49931 (906) 482-6601 • Fax: (906) 482-9046 e-mail: help@brucerukkila.com

www.brucerukkila.com

# REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Education Stanton Township Public School District Atlantic Mine, Michigan

We have audited the general purpose financial statements of Stanton Township Public District as of and for the year ended June 30, 2005, and have issued our report thereon dated August 24, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

#### Compliance

As part of obtaining reasonable assurance about whether Stanton Township Public School District's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

## Internal Control Over Financial Reporting

In planning and performing our audit, we considered Stanton Township Public School District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information of the School District's Board of Education, management and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

Bruce A. Rukkila, CPA, PC

#### Stanton Township Public School District Management's Discussion and Analysis June 30, 2005

This section of Stanton Township Public School District's annual financial report presents our discussion and analysis of the School Districts financial performance during the year ended June 30, 2005. Please read it in conjunction with the School District's financial statements, which immediately follows this section.

#### Financial Highlights

Total expenses for the general fund totaled \$1,078,203 with revenue totaling \$1,059,752. The year end fund balance for the general fund was \$660,242 which represents \$18,451 less than last year.

The debt retirement fund was able to eliminate its debt on the School Building & Site Bond in the amount of \$30,000.

#### **Overview of the Financial Statements**

The annual report consists of a series of financial statements including other requirements as follows:

- Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the District's financial activities.
- The Government-wide Financial Statements consists of a Statement of Net Assets and a Statement of Activities. These provide information about the activities of the District as a whole and represent an overall view of the District's finances.

#### Statement of Net Assets and the Statement of Activities

These statements provide information that help determine how the District is doing financially as a result of the year's activities. The statements are shown using a full accrual basis.

The District's net assets and the changes in the net assets during the year are reported by these two statements. Increases or decreases in the District's net assets one way to determine if the financial position of the District is improving or deteriorating. However, non-financial factors will need to be considered as well to determine the overall financial position of the District.

• Fund Financial Statements tell how governmental services were financed in the short term as well as what remains for future spending. These statements also report the District's operations in more detail than the Government-wide Financial Statements by providing information about the most significant funds.

The fund level financial statements are reported on a modified accrual basis. Only those assets that are "measurable" and "currently available" are reported. Liabilities are recognized to the extent that they are normally expected to be paid with current financial resources.

#### Overview of the Financial Statements - Continued

In the fund financial statements, purchased capital assets are reported as expenditures in the year of acquisition. The issuance of debt is recorded as a financial resource. The current year's payments of principal and interest on long term obligations are recorded as expenditures. Future year's debt obligations are not recorded.

The fund statements are formatted to comply with the legal requirements of the Michigan Department of Education's "Accounting Manual." In the State of Michigan, the District's major instructional support activities are reported in the General Fund. Additional activities are reported in their relevant funds including: Debt and School Service funds.

Major Funds: Under GASB Statement 34, the audit focus has shifted from type of governmental fund to major funds. Major funds are the largest funds in terms of assets, liabilities, revenues or expenses/expenditures. This allows the reader to see more detailed activity of the major funds. For the District, the General Fund and Debt Retirement Fund meet this requirement

<u>Non-major Funds</u>: In the basic financial statements, non-major funds are consolidated into one column. These are smaller funds. Detailed information about non-major funds can be found after the notes to the financial statements.

- Notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.
- Required supplementary information, other than Management Discussion and Analysis, provides information about the required budgetary comparison information on the general fund.
- Other supplementary information provides detailed information about the General, Debt, and School Service funds.

Summary	of Net	Assets
<b>Дишшат</b> (	OLIVE	

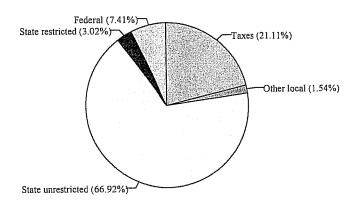
	2005		2004	
Assets				
Current and other assets	\$	841,861	\$ 831,398	
Restricted investments		-	9,578	
Capital assets - Net of accumulated depreciation		445,063	 477,921	
Total Assets	\$	1,286,924	\$ 1,318,897	
Liabilities				
Current liabilities	\$	161,161	\$ 182,727	
Long-term liabilities		11,728	 17,154	
Total Liabilities		172,889	199,881	
Net Assets				
Invested in property and equipment - net of related debt		443,746	426,762	
Restricted		14,013	14,535	
Unrestricted		656,276	677,719	
Total net assets		1,114,035	1,119,016	
Total Liabilities and Net Assets	\$	1,286,924	\$ 1,318,897	

### **Results of Operations in Governmental Activities**

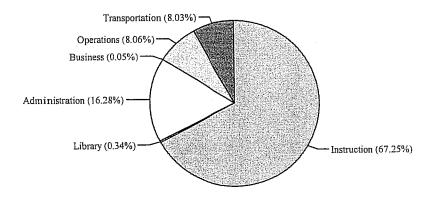
		 2005	2004
Program Revenue:			
Charges for services		\$ 18,786	\$ 18,070
Grants and contributions		153,021	238,977
General Revenue:			
Property taxes		255,317	235,916
State foundation allowance		709,222	724,288
Other		 15,664	 12,127
	Total Revenue	1,152,010	1,229,378
Functions/Program Expenses		 	
Instruction		724,834	733,540
Support services		368,038	464,049
School food services		57,689	56,162
Athletics		4,751	4,262
Interest on long-term debt		1,679	4,441
Other debt		 0	0
	Total Expenses	1,156,991	1,262,454
Change in Net Assets		 (4,981)	 (33,076)
Net Assets - Beginning		 1,119,016	1,152,092
Net Assets - Ending		\$ 1,114,035	\$ 1,119,016

The following charts highlight the District's General Fund activities:

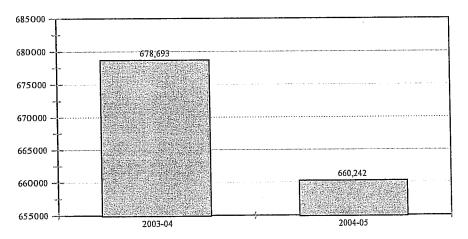
2004-05 Revenues



2004-05 Expenditures



**Fund Balance Comparison** 



### Significant Transactions and Changes in Individual Funds

The overall financial position of the individual Governmental funds of the District did not change significantly from the previous year. A comparison of revenues/transfers, expenditures/transfers and fund balances is as follows:

	Current Year		F	rior Year	 Change		
General Fund:							
Revenues/Transfers	\$	1,059,752	\$	1,145,035	\$ (85,283)		
Expenditures/Transfers	\$	1,078,203	\$	1,177,635	\$ (99,432)		
Fund Balance	\$	660,242	\$	678,693	\$ (18,451)		
Debt Retirement Fund:							
Revenues/Transfers	\$	31,638	\$	26,856	\$ 4,782		
Expenditures/Transfers	\$	32,160	\$	28,960	\$ 3,200		
Fund Balance	\$	14,013	\$	14,535	\$ (522)		
School Food Service Fund:							
Revenues/Transfers	\$	55,636	\$	55,944	\$ (308)		
Expenditures/Transfers	\$	57,689	\$	55,828	\$ 1,861		
Fund Balance	\$	7,165	\$	7,237	\$ (72)		
Athletic Fund:							
Revenues/Transfers	\$	3,003	\$	4,445	\$ (1,442)		
Expenditures/Transfers	\$	4,751	\$	4,263	\$ 488		
Fund Balance	\$	597	\$	2,345	\$ (1,748)		

<u>General Fund</u> - The main decrease in revenue and expenses represents the School Renovation Grant they received in prior year in the amount of \$78,735.

<u>Debt Service Fund</u> - The Debt Service Fund collects property taxes and receives interest earnings on bank deposits to finance the payment of interest and principal on bond issue-related debt of the District. The District did not have to borrow from the School Bond Loan Fund in order to make the interest and principal payments. The District paid off all its bond debt in 2004-2005.

<u>School Food Service Fund</u> - The Food Service program for the District did not require operating transfers from the General Fund in 2004-2005.

### Changes to Budget and Comparison to Actual Results

The original budget is required to be adopted before the beginning of the fiscal year by State law. For the fiscal year ended June 30, 2005, the original budget was adopted on June 15, 2005. Since the original budget is adopted two months before school is in session, we often have many unknowns such as the number of students we will have for the year. Since much of the District's revenue is determined based on the number of students enrolled, this unknown could have a significant impact on the budget. Often there are a number of unforeseen events that occur throughout the year that impact the budget and/or cause budget variances, therefore the District amended it's budget twice during the fiscal year. There were no significant variances for the fiscal year ended June 30, 2005 in the general fund.

### Stanton Township Public School District Management's Discussion and Analysis June 30, 2005

#### Changes to Budget and Comparison to Actual Results (Continued)

Instruction:

\$30,551 decrease due to the change in retirement rate and the postponement of

purchasing textbooks, supplies, and technology projects.

Support Services:

\$27,145 decrease due to a bus driver who did not work the hours as budgeted and the

postponement of bus repairs.

#### Capital Assets and Debt Administration

Capital Assets: The District's net investment in capital assets did not change from prior year.

Additional information on the District's capital assets can be found on page 22 of this report.

<u>Long-term Debt</u>: At the end of the current fiscal year, the Districts total debt was \$1,317. This total amount is backed by the full faith and credit of the District. The District's total debt was decreased by \$45,742 during the fiscal year.

Additional information on the District's long-term debt can be found on page 23 of this report.

### Known Facts, Decisions, or Conditions Having Significant Affect on Future Operations

Our elected officials and administration consider many factors when setting the School District's fiscal year budget. One of the most important factors affecting the budget is our student count. The State foundation revenue is determined by multiplying the blended student count by the foundation allowance per pupil.

State revenues received by Michigan school districts are approved annually in a State Aid Act. This Act was approved by the State Legislature prior to the beginning of the school year and provides a foundation amount (amount per student) of \$6,875 for the 2005-06 school year. This is an increase of \$175 per student and is the first increase in three years.

Approximately 67 percent of total General Fund revenues is from the foundation allowance. Under State law, the School District cannot assess additional property tax revenue for general operations. As a result, district funding is heavily dependent on the State's ability to fund local school operations.

### Contacting the District's Financial Management

This financial report is designed to provide our citizens and taxpayers with a general overview of the District' finances. If you have questions about this report or need additional information, contact the Business Office, Stanton Township Public Schools.

# STATEMENT OF NET ASSETS

June 30, 2005

		vernmental Activities
ASSETS:		<u> Cuvines</u>
CURRENT ASSETS:		
Cash and cash equivalents	\$	216,057
Investments		417,295
Taxes receivable		58,173
Accounts receivable		589
Due from other governmental units		135,753
Due from other funds		13,994
TOTAL CURRENT ASSETS		841,861
NON-CURRENT ASSETS:		
Capital assets		926,102
Less: Accumulated depreciation		(481,039)
TOTAL NON-CURRENT ASSETS		445,063
TOTAL ASSETS	<u>\$</u>	1,286,924
LIABILITIES:		
CURRENT LIABILITIES:		
Accounts payable	\$	2,293
Accrued expenses		95,337
Deferred revenue		11,273
Short-term note payable		1,317
Due to governmental units		36,947
Due to other funds		13,994
TOTAL CURRENT LIABILITIES		161,161
NON-CURRENT LIABILITIES		
Compensated absences		11,728
TOTAL NON-CURRENT LIABILITIES		11,728
TOTAL LIABILITIES		172,889
NET ASSETS		
Invested in capital assets, net of related debt		443,746
Restricted for debt service		14,013
Unreserved		656,276
TOTAL NET ASSETS	<del> </del>	1,114,035
TOTAL LIABILITIES AND NET ASSETS	<u>\$</u>	1,286,924

# STANTON TOWNSHIP PUBLIC SCHOOLS STATEMENT OF ACTIVITIES Year Ended June 30, 2005

		Expenses	Program Charges for Services	Revenues Operating Grants and Contributions	Activities Net (Expense) Revenue and Changes in Net Assets
<u>FUNCTIONS/PROGRAMS</u> Government Activities:					
Instruction and instructional support	\$	724,834	\$ -	\$ 111,247	\$ (613,587)
Support services	Ψ	368,038	_	-	(368,038)
School service		57,689	18,438	39,119	•
Athletics		4,751	348	2,655	
Interest on long-term debt	<del></del>	1,679	_		(1,679)
Total Governmental Activities	<u>\$</u>	1,156,991	\$ 18,786	\$ 153,021	(985,184)
	Ge	eneral Revenue Taxes	es:		
		Property to	axes, levied for	general operations	223,714
			axes, levied for	-	31,603
		State school	aid - unrestricte	d	709,222
		Interest and	investment earn	ings	10,062
		Other			5,602
		Total genera	l revenues, trans	sfers,	
		and specia			980,203
		Change in Ne	t Assets		(4,981)
		Net Assets - I	Beginning		1,119,016
		Net Assets - I	Ending		\$ 1,114,035

# STANTON TOWNSHIP PUBLIC SCHOOLS GOVERNMENTAL FUNDS

### **BALANCE SHEET**

June 30, 2005

	(	General	Se	Debt ervice Fund	Noi Gove	Other n-major rnmental unds	Go	Total vernmental Funds
ASSETS:								
Cash and cash equivalents	\$	213,137	\$	-	\$	2,920	\$	216,057
Investments		417,295		-		-		417,295
Taxes receivable		53,678		4,495		•		58,173
Accounts receivable		-		-		589		589
Due from other governmental units		135,753		-		-		135,753
Due from other funds				9,518		4,476		13,994
TOTAL ASSETS	<u>\$</u>	819,863	<u>\$</u>	14,013	\$	7,985	\$	841,861
LIABILITIES:								
Accounts payable	\$	2,293	\$	-	\$	-	\$	2,293
Accrued expenses		95,114		-		223		95,337
Due to other funds		13,994		-		-		13,994
Due to other governmental units		36,947		, <b>-</b>		-		36,947
Deferred revenue		11,273		-				11,273
TOTAL LIABILITIES		159,621				223		159,844
FUND BALANCES:								
Reserved		-		14,013				14,013
Unreserved		660,242		**	-	7,762		668,004
TOTAL FUND BALANCES		660,242		14,013		7,762		682,017
TOTAL LIABILITIES AND FUND BALANCES	\$	819,863	\$	14,013	\$	7,985		
Amounts reported for governmental activities in the	e staten	nent of net asse	ets are	different l	ecause:			
Capital assets, net of accumulated depreciation, us financial resources and therefore are not reported	-		ctiviti	es are not				445,063
Long-term liabilities, including deferred compension the current period and therefore are not report			t due a	and payabl	e			(13,045)
Net assets of governmental activities							\$	1,114,035

# STANTON TOWNSHIP PUBLIC SCHOOLS **GOVERNMENTAL FUNDS**

## STATEMENT OF REVENUES, EXPENDITURES,

# AND CHANGES IN FUND BALANCES

		General Fund		Debt Service Fund	Oth Non-n Govern Fun	najor mental		Totals
Revenues								
Local sources	\$	239,983	\$	31,638	\$	21,501	\$	293,122
State sources		741,254		-		1,917		743,171
Federal sources		78,515		-	-	37,202		115,717
Total revenues		1,059,752		31,638		60,620		1,152,010
Expenditures								
Instruction		725,133		-		-		725,133
Supporting services		353,070		-		-		353,070
School service		-		-		57,689		57,689
Athletics		-		-		4,751		4,751
Debt Service			_	32,160			_	32,160
Total expenditures		1,078,203		32,160		62,440		1,172,803
Excess (deficiency) of revenue								
over expenditures		(18,451	)	(522	)	(1,820	)	(20,793)
Other Financing Sources (Uses)								
Net Change in Fund Balance		(18,451	)	(522	)	(1,820	))	(20,793)
Fund Balances - Beginning of year		678,693		14,535		9,582	2	
Fund Balances - End of Year	\$	660,242	<u>\$</u>	14,013	\$	7,762	)	
Amounts reported for governmental a	ctivities	in the statement	t of ac	tivities are differe	ent because:			
Governmental funds do not record of activities, these costs are capitali							of	(32,858)
Accrued expenses are recorded in the in governmental funds until paid								2,930
Revenue reported in the statement of								
Repayment of bond principal is an extra the statement of activities (where				l funds, but not in		·		45,740
Change in net assets of governmenta	l activitie	es					<u>\$</u>	(4,981)

#### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Stanton Township Public School District conform to generally accepted accounting principles as applicable to school districts. The following is a summary of the more significant policies:

#### REPORTING ENTITY

In evaluating how to define the School District, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic—but not the only—criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility includes, but is not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations and accountability for fiscal matters. The other criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the School is able to exercise oversight responsibilities. The School District has no component units.

#### DISTRICT-WIDE AND FUND FINANCIAL STATEMENTS

The district-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. All of the School District's government-wide activities are considered governmental units.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenue includes (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes, intergovernmental payments, and other items not included among program revenues are reported as general revenue.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the district-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

# MEASUREMENT FOCUS, BASIS OF ACCOUNTING, & FINANCIAL STATEMENT PRESENTATION

<u>District-Wide Statements</u> - The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants, categorical aid, and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

#### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

As a general rule, the effect of inter-fund activity has been eliminated from the district-wide financial statements.

Amounts reported as program revenue are (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions. Likewise, general revenue includes all taxes and unrestricted State aid.

<u>Fund-Based Statements</u> - Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgements, are recorded only when payment is due.

Property taxes, unrestricted State aid, intergovernmental grants, and interest income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be available only when cash is received by the government unit.

Fiduciary fund statements are also reported using the economic resources measurement focus and the accrual basis of accounting.

The School District reports the following governmental funds:

<u>General Fund</u> - The General Fund is the general operating fund and accordingly, it is used to account for all financial resources except those required to be accounted for in another fund.

<u>Special Revenue Funds</u> - Special Revenue Funds are used to account for the activities of specific school service revenue sources such as the School Food Service, and Athletic Activities.

<u>Debt Service Fund</u> - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

#### ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY

#### Deposits and Investments

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value.

#### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Receivables and Payables

In general, outstanding balances between funds are reported as "due to/from other funds."

Property tax revenue is recognized in the year for which taxes have been levied, provided they are available to finance expenditures of the current period in accordance with the National Council on Governmental Accounting Interpretation No. 3, Revenue Recognition - Property Taxes. Property taxes are levied by Stanton Township on December 31 and become due on February 14.

The 2004 non-homestead and homestead taxable valuation of the District amounted to \$12,428,552 and \$16,810,699, respectfully. Ad valorem taxes of \$223,714 were levied for operating purposes (18.0 mills) based on non-homestead taxable valuation and \$29,239 for debt retirement (1.0 mills) based on homestead and non-homestead taxable valuation. These amounts are recorded as revenue on the District's records in and for the fiscal year ending June 30, 2005.

<u>Inventory</u> - The District utilizes the purchase method of recording inventories of materials and supplies. Under the purchase method, inventories are recorded as expenditures when they are purchased.

#### Fixed Assets

Fixed assets, which include land, buildings, equipment, site improvements, and vehicles are reported in the applicable governmental activities column in the district-wide financial statements. Fixed assets are defined by the government as assets with an initial individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Costs of normal repair & maintenance that do not add to the value or materially extend asset lives are not capitalized.

Buildings, equipment, and vehicles are depreciated using the straight-line method over the following useful lives:

Buildings and additions 20-50 years
Buses and other vehicles 5-10 years
Furniture and other equipment 5-10 years

#### Accrued Benefits

The liabilities for accrued benefits reported in the district-wide statements in the amount of \$11,728 consisted of sick leave balances.

Sick Leave - Teachers and support staff may accumulate unused sick days to a maximum of 150 and 120 days, respectively. Upon termination of employment, teachers and employees with at least ten (10) and eleven (11) years of service, respectively, to the School District are paid \$30 and \$15, respectively, of unused accumulated sick days.

### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### **Long-term Obligations**

In the district-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net assets.

#### Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

#### Comparative Data/Reclassifications

Comparative data is included in the School District's financial statements.

#### **BUDGETARY DATA**

The School District follows these procedures in establishing the budgetary data reflected in the financial statements.

- 1. Each May, the Superintendent and Executive Secretary prepare a proposed operating budget for the fiscal year commencing the following July 1, and submit this proposed budget to the Board of Education at the regular June meeting.
- 2. The Board reviews the proposed budget, which includes proposed expenditures and the means of financing them.
- 3. Pursuant to statute, the proposed budget as approved by the Board, is submitted to the community at a public hearing, at which time public comment is invited. The final budget is formally adopted at the next meeting.
- 4. The Board reviews the budget quarterly during the fiscal year and makes formal amendments when appropriate.
- 5. Budget appropriations lapse at the end of the fiscal year.

#### **ENCUMBRANCES**

Encumbrances are defined as commitments related to unperformed contracts for goods and services. The District does not record encumbrances in the normal course of operating its accounting system and none are recorded in the accompanying financial statements.

#### NOTE B - BUDGETING AND ACCOUNTING

P.A. 621 of 1978, section 18(1), as amended, provides that a local unit shall not incur expenditures in excess of the amount appropriated.

In the body of the financial statements, the School's actual expenditures and budgeted expenditures for the budgetary funds have been shown on a functional basis. The approved budgets of the School for these budgetary funds were adopted to the activity level.

During the year ended June 30, 2005, the School incurred expenditures in certain budgetary funds which were in excess of the amounts appropriated, as follows:

Description	Total Appropriations	Amount of Expenditures	Budget Variances
General Fund: Added Needs	\$83,680	\$84,248	(\$568)
School Service	\$53,080	\$57,689	(\$4,609)
Athletic	\$4,727	\$4,751	(\$24)

#### NOTE C - CASH AND INVESTMENTS

#### **CASH DEPOSITS**

At year-end, the School District's deposits (checking, savings and certificates of deposit) and investments were reported in the basic financial statements in the following categories and breakdown between deposits and investments for the School District is as follows:

		ernmental ctivities	Fiduo Fur	•			
Unrestricted	\$	215,972	\$	0	\$	215,972	
Petty cash		85		0_		<u>85</u>	
Total unrestricted	No.	216,057		0		216,057	
Restricted cash		0		0		0	
Total cash and cash equivalents	-	216,057		0	-	216,057	
Investments		417,295		0_		417,295	
Total deposits and investments	\$	<u>633.352</u>	_\$	00	\$	633,352	

At June 30, 2005, the book value of the School District's demand deposits, consisting primarily of checking and savings accounts, certificates of deposit and other cash equivalents, was \$215,972 with a corresponding bank balance of \$220,742. Qualifying deposits are insured by the Federal Deposit Insurance Corporation up to \$100,000. Of the bank balance, approximately \$192,940, representing approximately 87% of the District's deposits, was covered by Federal Depository Insurance. Michigan law does not require collateralization of government deposits, therefore, only the \$192,940 was insured and \$27,802 was neither insured or collateralized.

#### **NOTE C - CASH AND INVESTMENTS (Continued)**

#### **INVESTMENTS**

The investment of the School District's funds is governed by state statutes. In general, state statutes provide that the School District is authorized to invest its funds in certificates of deposit, savings accounts and deposit accounts in a bank which is a member of the Federal Deposit Insurance Corporation. In addition, it may also invest in bonds, securities and other obligations of the United States in which the principal and interest are fully guaranteed by the United States, and investments in commercial paper rated at prime at the time of purchase and which mature not more than 270 days after the date of purchase.

The investments that are represented by specific identifiable investment securities are classified as to credit risk by the three categories described below:

- 1. Insured or registered, or securities held by the entity or its agent in the entity's name.
- 2. Uninsured and unregistered, with securities held by the counter-party's trust department or agent in the entity's name.
- 3. Uninsured and unregistered, with securities held by the counter-party or by its trust department or agent but not in the entity's name.

At June 30, 2005, the District's investments consisted of mutual funds which are not categorized because they are not evidenced by securities that exist in physical or book entry form. The District had \$417,295 in mutual funds with Michigan School District Liquid Asset Fund Plus.

#### **NOTE D - FIXED ASSETS**

Fixed Asset activity of the School District's governmental activities was as follows:

	_	Balance					_	Balance
	C	6/30/04	Additions		Deletions		06/30/05	
Building and additions	\$	660,274	\$	0	\$	0	\$	660,274
Equipment and furniture		59,083		0		0		59,083
School buses		206,745		0		0		206,745
Subtotal		926,102		0		0		926,102
Accumulated depreciation:								
Building and additions		239,296		20,811		0		260,107
Equipment and furniture		40,536		4,847		0		45,383
School buses		168,349		7,200		0		175,549
		448,181		32,858		0		481,039
Net capital assets	\$	477,921	\$	(32,858)	\$	0	\$	445,063

#### **NOTE D - FIXED ASSETS (Continued)**

Depreciation expense was charged to activities of the School District as follows:

Governmental activities	
Instruction	\$ 2,150
Support Service	30,374
Food Service	334
Total governmental activities	\$ 32,858

# NOTE E - INTER-FUND RECEIVABLES, PAYABLES, AND TRANSFERS

Amounts due from (to) other funds represent the balance of monies due from or to other funds for expenditures made or fund balance transfers approved. The amounts of inter-fund receivables and payables as of June 30, 2005 are as follows:

Fund	 iter-fund eceivable	Fund		 er-fund ayable
School Service Debt Service	\$ 4,476 9,518	General Fund General Fund		\$ 4,476 9,518
TOTAL	\$ 13,994		TOTAL	\$ 13,994

#### NOTE F - LONG TERM DEBT

#### Other Long-Term Debt

The School District has a loan payable for a school bus.

	Date Of	Original		Interest	6/30/05
Purpose of Note School bus	<u>Issue</u> 07/19/01	Amount \$ 57,595	<u>Maturity</u> 07/01/05	<u>Rate</u> 4.90%	<u>Balance</u> \$ 1,317

As of June 30, 2005, the aggregate maturities of loans payable are as follows:

Pr	incipal	Inte	rest		Total
	1,317				1,317
\$	1,317	\$	0	\$	1,317
	<u> </u>	\$ 1,317	1,317 \$ 1,317 \$	1,317 - \$ 1,317 \$ 0	1,317

#### **NOTE F - LONG TERM DEBT (Continued)**

#### **Long-Term Obligations**

The following is a summary of the changes in the general long-term debt for the year ended June 30, 2005:

	 Balance e 30, 2004	Incr	ease	D	ecrease	 Balance 2 30, 2005
Bonds	\$ 30,000	\$	0	\$	30,000	\$ 0
Bus Loan	 17,058		0		15,742	 1,316
	 47,058		0		45,742	1,316
Accrued Benefits	14,177		0		2,449	11,728
TOTAL	\$ 61,235	\$	0	\$	48,191	\$ 13,044

#### NOTE G - EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PLAN

Substantially all of the District's employees are eligible to participate in the statewide Michigan Public School Employees' Retirement System (MPSERS), a multiple-employer, cost-sharing public employee retirement system. Effective January 1, 1987, Act 91 of the Public Acts of 1985 established a voluntary contribution to the Member Investment Plan (MIP). Employees first hired before January 1, 1990, made a one-time irrevocable election to contribute to the tax deferred MIP. Employees first hired on or after January 1, 1990 will automatically be included in MIP.

Members in MIP may retire at any age after attaining thirty years of creditable service; or at age sixty with at least 10 years of credited service; or at age 60 with a minimum total of five years of creditable service and with credited service in each of the five school fiscal years immediately preceding the retirement allowance effective date. The retirement allowance is calculated using a formula of 1.5% of the average of the highest total earnings during a period of thirty-six consecutive calendar months (three years) multiplied by total years to the nearest tenth of a year of credited service.

Employees who did not elect the MIP option fall under the MPSERS Basic Plan and may retire after attaining age sixty with ten or more years of credited service; or attaining age fifty-five with thirty or more years of credited service; or attaining age fifty-five while still working at least fifteen but fewer than thirty years of credited service in each of the five school fiscal years immediately preceding the retirement allowance effective date. The retirement allowance is computed using a formula of 1.5% of the average of the highest total earnings during a period of sixty consecutive months (five years) multiplied by the total years to the nearest tenth of a year of credited service.

The MPSERS also provides death, disability, health, medical, dental, vision, and hearing insurance coverage. Benefits are established by state statute.

The District was required by the state statute to contribute 12.99% of covered compensation through September 30, 2004 and 14.87% of covered compensation to the Plan for the remainder of the year. The total amount contributed to the Plan for the year ended June 30, 2005 was \$103,361 which consisted of \$90,862 from the District and \$12,499 from employees electing the MIP option. These represent approximately 14.60% and 2.0% of covered payroll, respectively.

#### NOTE G - EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PLAN (Continued)

Payroll paid to employees covered by the System for the year ended June 30, 2005 was approximately \$622,103. The District's total payroll was approximately \$644,152.

The "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employees' service to date. The measure, which is the actuarial present value of credited projected benefits, is intended to help users assess the MPSERS' fund status on a going concern basis, assess progress made in accumulating sufficient assets to pay benefits when due and make comparisons among PERS and employers. The MPSERS does not make separate measurements of assets and pension benefit obligations for individual districts.

As of September 30, 2004 for the MPSERS as a whole, the actuarial accrued liability was \$44.8 billion. The pension plan net assets were \$36 billion, resulting in a ratio of assets at market value to the actuarial accrued liability of 80.36%. Employer contributions are based upon level-percent-of-payroll principles so that the contribution rates do not have to increase over decades of time. The District's 2005 contribution represented less than 1% of total contributions required of all participating entities

Ten year historical trend information showing the MPSERS' progress in accumulating sufficient assets to pay benefits when due is presented in the MPSERS' September 30, 2004 annual report.

The District is not responsible for the payment of retirement benefits which is the responsibility of the State of Michigan.

#### NOTE H - DESIGNATED FUND BALANCES

The Debt Service fund balance is designated for retirement of debt. According to generally accepted accounting principles, designated fund balances are reported as part of the unreserved fund balance.

#### **NOTE I - FOUNDATION REVENUE**

Effective as of fiscal year 1994-95 the State of Michigan adopted a foundation grant approach which provides for a specific annual amount of revenue per student based on a state wide formula. The foundation is funded from state and local sources. Revenues from state sources are primarily governed by the School Aid Act and the School Code of Michigan. The Michigan Department of Education administers the allocation of state funds to school districts based on information supplied by the districts. The foundation allowance is based on the average of pupil membership counts taken in February and September of the previous year.

The state portion of the foundation is provided primarily by a state education property tax millage of 6 mills and an allocated portion of state sales and other taxes. The local portion of the foundation is funded primarily by non-homestead property taxes which may be levied at a rate of up to 18 mills. The school district levies 18 mills for non-homestead property taxes. State revenue recognized during the foundation period (currently the fiscal year) is as follows:

#### **NOTE I - FOUNDATION REVENUE (Continued)**

2004-05 Foundation	\$	6,700.00
Less Local Support:		
Non-Homestead Tax Value	12,428,552	
Multiplied by mills	0.018	
Total Local Support	223,714	
Divided by General Education K-12 membership	140.00	
Calculated Local Support		(1,597.96)
2004-05 Foundation Grant Allowance Per Pupil	<u>\$</u>	5,102.04

#### NOTE J - RECONCILIATION OF R7120 TO REPORTED FEDERAL REVENUES

The amounts reported as current payments on the R7120, Grant Section Auditors Report prepared by the State of Michigan, reconciled with the federal revenue on the Governmental Funds - Statement of Revenues, Expenditures and Changes in Fund Balances on page 16 is as follows:

\$ 100,358
0
(930)
5,927
10,361
\$ 115,717

The School District expended less than \$500,000 in Federal awards during the fiscal year ended June 30, 2005 and is exempt from Federal Single Audit requirements, thus a schedule of federal financial assistance was not prepared.

#### **NOTE K - CONTINGENT LIABILITIES**

#### Risk Pool

Stanton Township School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The School District was unable to obtain general liability insurance at a cost it considered to be economically justifiable. Stanton Township School District joined together with other school districts currently operating a common risk management and insurance program. Stanton Township School District pays an annual premium to the pool for its general insurance coverage. The agreement provides that the pool will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$500,000 for each insured event.

#### NOTE K - CONTINGENT LIABILITIES (Continued)

Stanton Township School District continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

The pooling agreement allows for the pool to make additional assessments to make the pool self-sustaining. The School District is unable to provide an estimate of the amounts of additional assessments.

The MASB-SEG Property & Casualty Pool has published its own financial report for the year ended June 30, 2005, which can be obtained through the School District.

#### NOTE L - PRIOR PERIOD ADJUSTMENTS

<u>Long Term Debt</u> - During the current year it was discovered that the beginning fund balance on the statement of activities needed to be adjusted for the following reasons:

Accrued interest was overstated at June 30, 2004 in the amount of \$3,620 for health insurance.

Prior year ending fund balance	\$ 1,115,396
Accrued Interest	 3,620
Restated fund balance	\$ 1,119,016

#### NOTE M- RECLASSIFICATION

Certain items in the June 2004 financial statements have been reclassified to conform with the current year presentation.

# REQUIRED SUPPLEMENTAL FINANCIAL INFORMATION

# STANTON TOWNSHIP PUBLIC SCHOOLS BUDGETARY COMPARISON SCHEDULE FOR THE GENERAL FUND For the Year Ended June 30, 2005

	Budgeted Amounts			Actual		Variance		
	-	Original		Final	(GA	AP Basis)	Fina	ıl to Actual
REVENUES:							_	
Local sources	\$	4,000	\$	234,676	\$	239,983	\$	5,307
State sources		961,532		746,394		741,254		(5,140)
Federal sources		85,640		78,515		78,515		
TOTAL REVENUE		1,051,172		1,059,585		1,059,752		167
EXPENDITURES:								
Instruction		749,454		755,684		725,133		30,551
Supporting services		369,615		380,215		353,070		27,145
TOTAL EXPENDITURES		1,119,069		1,135,899		1,078,203	<u></u>	57,696
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES		(67,897)		(76,314)		(18,451)		57,863
OTHER FINANCING SOURCES (USES) Incoming transfers - other schools Operating transfers out Other outgoing transfers				- - -		- - -		- - -
Principle and interest payments				-			-	
Total other financing sources (uses)		-		-				-
NET CHANGE IN FUND BALANCE		(67,897)		(76,314)		(18,451)		-
FUND BALANCE - BEGINNING OF YEAR		678,693		678,693		678,693		
FUND BALANCE - END OF YEAR	\$	610,796	_\$	602,379	\$	660,242	\$	57,863

# SUPPLEMENTAL FINANCIAL INFORMATION

# STANTON TOWNSHIP PUBLIC SCHOOLS

### GENERAL FUND

# STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

	2005	2004		
REVENUES:				
Local sources:				
Taxes:				
Current taxes	\$ 223.714	\$ 208.952		
Total taxes	223,714	208.952		
Other local sources:				
Investment revenue	10,017	6,016		
Rentals	1,829	2,548		
Contributions	700	456		
Miscellaneous	3,723	6.269		
Total other local sources	16,269	15,289		
Total local sources	239.983	224.241		
State sources:				
Unrestricted State aid	709,222	724,288		
Restricted at-risk grant	32.032	32.881		
Total restricted grants	32.032	32,881		
Total state sources	741.254	757,169		
Federal sources:				
Title I	50,502	59,415		
Title VI	1,284	1,563		
Class size reduction	15,085	15,266		
Title II	1,283	1,445		
School renovation grant	-	78,735		
REAP	10,361	6,200		
School health mini grant		1,000		
Total federal sources	78.515	163.624		
TOTAL REVENUES	1.059,752	1,145,034		

# STANTON TOWNSHIP PUBLIC SCHOOLS

### GENERAL FUND

## STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (Continued)

	2005	2004
EXPENDITURES:		
Instruction:		
Basic program:		
Elementary School	640,884	617.747
Total basic program	640,884	617,747
Added needs:		
Compensatory education	52,216	76,615
At-risk	32,033	32.881
Total added needs	84.249_	109,496
Total instruction	725,133	727.243
Supporting services:		•
Pupil:		
Health		2,939
Total pupil		2,939
Instructional staff:		
Library	3,653	5.017
Total instructional staff	3,653	5.017
General administration:		
Board of education	16,400	18,438
Executive administration	159,089	158.100
Total general administration	175,489	176,538
Business-fiscal services	487_	1,235
Operation & maintenance	86.850	173.896
Pupil transportation	86.591	87.863

# STANTON TOWNSHIP PUBLIC SCHOOLS GENERAL FUND

# STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (Continued)

	2005	2004
Total supporting services	353.070	447,488
TOTAL EXPENDITURES	1,078,203	1,174,731
EXCESS OF REVENUES OVER EXPENDITURES	(18,451)	(29,697)
OTHER FINANCING SOURCES (USES): Operating transfer out		(2,902)
TOTAL OTHER FINANCING SOURCES (USES)		2,902
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(18,451)	(32,599)
FUND BALANCE, BEGINNING OF YEAR	678,693	711,292
FUND BALANCE, END OF YEAR	\$ 660,242	\$ 678.693

# STANTON TOWNSHIP PUBLIC SCHOOLS DEBT SERVICE FUND

### STATEMENTS OF REVENUES, EXPENDITURES, AND

### **CHANGES IN FUND BALANCES**

2005		2005	2004	
REVENUES:				
Local sources:				
Taxes:				
Current taxes	\$	31,603	\$	26,816
Other taxes		35		40_
Total taxes		31,638		26.856
Other:				
TOTAL REVENUES	<u></u>	31,638		26.856
EXPENDITURES:				
Interest on bonds		2,160		3,960
Redemption of bond principle		30,000	<u></u>	25,000
TOTAL EXPENDITURES		32,160		28,960
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES		(522)		(2,104)
FUND BALANCE, BEGINNING OF YEAR		14.535		16.639
FUND BALANCE, END OF YEAR	\$	14,013	\$	14.535

# STANTON TOWNSHIP PUBLIC SCHOOLS NON-MAJOR GOVERNMENTAL FUNDS COMBINING BALANCE SHEETS

June 30, 2005

				Totals	
	S	chool		Memorandum	Only
ASSETS AND OTHER DEBITS	S	ervice	Athletic	2005	2004
Cash	\$	2,323 \$	597 \$	2,920 \$	4,787
Receivables		589	-	589	488
Due from Other Funds		4,476	-	4,476	4,476
Inventory			-	-	266
TOTAL ASSETS	\$	7,388 \$	597 \$	7,985 \$	10,017
LIABILITIES					
Accrued expenses	\$	223 \$	\$	223 \$	435
TOTAL LIABILITIES		223		223	435
FUND EQUITY:					
Fund balance - unreserved		7,165	597	7,762	9.582
TOTAL LIABILITIES AND FUND EQUITY	\$	7.388 \$	597 \$	7.985 \$	10.017

# STANTON TOWNSHIP PUBLIC SCHOOLS SCHOOL SERVICE FUND

## STATEMENTS OF REVENUES, EXPENDITURES, AND

### **CHANGES IN FUND BALANCES**

	2005		2004	
REVENUES:				
Local sources:				
Adult lunches	\$	1,750	\$	1,532
Special milk		234		247
Breakfast		1,195		719
Student lunches		15,259		15,261
Earnings on investments		10		15
Athletic		3,003		1,543
Miscellaneous		50_		36
Total local sources		21,501		19,353
State sources		1,917		1.267
Federal sources:				
School lunch program		31,275		32,073
USDA entitlements		4,591		3,958
USDA bonus entitlements		1,336		836
Total federal sources		37,202		36.867
TOTAL REVENUES		60,620		57,487
EXPENDITURES:				
Labor		17,512		17,034
Total employee benefits		8,966		8,928
Purchases		31,211		29,868
Athletic		4.751		4,260
TOTAL EXPENDITURES		62,440		60.090
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u></u>	(1,820)		(2,603)
OTHER FINANCING SOURCES (USES) Operating transfers in		-		2,902
1				
Net Change in Fund Balance	ę.,	(1.820)		299
FUND BALANCE, BEGINNING OF YEAR		9.582		9.283
FUND BALANCE, END OF YEAR	\$	7,762	\$	9,582



310 Shelden Avenue • Houghton MI 49931 (906) 482-6601 • Fax: (906) 482-9046 e-mail: help@brucerukkila.com

#### LETTER OF COMMENTS AND RECOMMENDATIONS

Board of Education Stanton Township Public School District Atlantic Mine, Michigan

In connection with our audit of the financial statements of Stanton Township Public School District, as of and for the year ended June 30, 2005, the following concerns regarding the accounting records, procedures, and internal control structure came to our attention.

Our comments are based upon conditions noted during our audit and are not intended to be all inclusive. These comments are submitted as constructive suggestions to assist you in strengthening controls and procedures and are not intended to reflect on the honesty or integrity of any individual.

#### Insured Deposits

We noted approximately eighty-five percent (87%) of the School's deposits are insured by the Federal Deposit Insurance Corporation (FDIC). We recommend extending deposits to various financial institutions to decrease the risk of potential loss to the District.

#### **Budget Over Expenditures**

Comparing actual to budgeted expenditures shows that over expenditures have occurred. P.A. 621 of 1978, section 18(1), as amended, provides that a local unit shall not incur expenditures in excess of the amount appropriated.

	Total	Amount of	Budget
Description	Appropriations	Expenditures	Variances
General Fund: Added Needs	\$83,680	\$84,248	(\$568)
School Service	\$53,080	\$57,689	(\$4,609)
Athletic	\$4,727	\$4,751	(\$24)

We recommend that timely revisions be made to the budget appropriations so that these over expenditures do not occur in the future.

We would like to thank the administrative staff for the cooperation we received during our audit. We appreciate the opportunity to present these comments and recommendations for your consideration and we are prepared to discuss them at your convenience.

This report is intended for the information of the School District's Board of Education, the cognizant audit agency, and other federal and state audit agencies. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Bruce A. Rukkila, CPA, PC
Certified Public Accountants

August 24, 2005